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SUBJECT: U/S LARSON MEETING WITH QATARI MINISTER OF ECONOMY AND COMMERCE MOHAMMED BIN AHMED BIN JASSEM AL-THANI

- 11. (SBU) U/S Larson met with Qatari Minister of Economy and Commerce Mohammed Bin Ahmed Bin Jassim Al-Thani on May 15 at the margins of the World Economic Forum at the Dead Sea in Jordan. Larson opened by seeking the views of the Qataris on the G-8 reform initiative. He passed a copy of the latest reform draft, asking that they review and send comments in the coming days. Al-Thani took a quick glance at the major themes and said that these ideas were ones they were already working on in Qatar for Qataris. Larson suggested that setting up networks to take advantage of the lessons learned should be an element of the G-8 agenda.
- 12. (SBU) Al-Thani indicated Qatar's willingness to look at new initiatives and to determine whether they meet Doha's objectives and strategies and allow it to play a leading role in the region. He added that he saw a role for Qatar in private investment. Qatar has attracted more than \$60 billion in foreign direct investment in recent years and is willing to work with others in the region and to undertake needed reforms.
- 13. (SBU) Larson encouraged Al-Thani to think creatively not only about the broader concepts but more specifically on what role Qatar envisions for itself in stimulating private investment for the region. Al-Thani responded by saying that he thought the G-8 initiative was right for the region; it deals with the region's problems and would win over the hearts and minds of its people. The initiative must be perceived to be honest and transparent and it is critical to incorporate the views and concerns of the region's leadership. Larson agreed and said it was this type of honest feedback he was seeking.
- 14. (SBU) Al-Thani turned the discussion toward TIFA and FTA talks he planned to hold with USTR Zoellick in June. He said Qatar was willing to make sacrifices, opening up traditionally closed sectors such as banking and telecommunications. He said that the Qatari government understood this move was critical and anything less would prevent them from joining the global economy as equal partners. He announced his intentions to a group of EU Ambassadors and they warned him of the costs in signing an FTA with the U.S. He dismissed their views as simple jealousy and added that trying to negotiate an association agreement with seven countries, with Saudi Arabia as part of the mix, is virtually impossible. Larson cautioned that the Qataris must use their June visit to develop congressional contacts, and Al-Thani agreed and said it was something the government is working on. Al-Thani added that Qatar plans to address some of the contentious labor issues raised by Rep. Sandy Levin. Larson said that correcting Qatar,s labor problems will eliminate one of the current barriers in accessing OPIC coverage.
- 15. (SBU) Al-Thani pushed for more information on the U.S. LNG market. Larson cautioned against thinking the U.S. market is limitless; there are several competing supply projects and it will be important that Qatar move quickly and plan strategically. Al-Thani responded by making it clear that the U.S. market was Qatar's interest and indicated that the selection of U.S. partners Conoco-Phillips and Exxon-Mobil for its new 15 billion cubic meter LNG projects bear that out.
- 16. (SBU) Larson thanked Al-Thani for sponsoring the Iraq donors group later this month. Al-Thani said that the Qataris are very interested in supporting not only with official funds but also through private investment. They set up a company with a group of Iraqis whose sole focus is to place rebuilding projects, have begun working, but recent violence has slowed the pace. The Qatari government will continue to do more for Iraq because doing so is critical to the region's stability. Stability improves the lives of everyone in the region.
- 17. (SBU) Larson asked Al-Thani for support on the polio eradication initiative. Recent efforts by the OIC to inoculate Nigerians have been hampered by local political

intransigence; he asked Al-Thani to intervene. He also asked Al-Thani to consider joining the efforts of other donors to eradicate this disease by helping close a \$120 million funding gap the UN program will have over the next few years. Al-Thani asked for an update on AIDS and Larson outlined the \$15 billion program the USG is funding that will not only focus on containment and treatment but also prevention.

 $\underline{\ \ }\mathbf{18.}$ (U) This message was cleared by Under Secretary Larson. GNEHM